

VZCZCXYZ0001
OO RUEHWEB

DE RUEHC #9223 1832255
ZNR UUUUU ZZH
O 022232Z JUL 09
FM SECSTATE WASHDC
TO USMISSION UNVIE VIENNA IMMEDIATE 5142

UNCLAS STATE 069223

SIPDIS

E.O. 12958: N/A
TAGS: [AORC](#) [ENRG](#) [IAEA](#) [KNNP](#) [PREL](#) [UN](#)
SUBJECT: IAEA BUDGET: ENGAGING THE G-77 TO REACH AGREEMENT.

REF: REF: UNVIE 313

¶1. This is an action request in response to reftel. See para 2 below.

¶2. Washington authorizes Mission Vienna to engage the G-77 in an effort to reach agreement on the IAEA budget. Washington agrees with UNVIE that Mission may engage in consultations on shielding (a mechanism that allows developing countries to pay a lower share of the safeguards portion of the regular budget) or other measures to reduce long-term IAEA safeguards costs in order to get agreement on increased regular budget for nuclear security. Washington opposes the idea of rigid linkage between the regular budget and the Technical Cooperation Fund(TCF), though we continue to respect the guidance established in the 2003 budget package: "From 2005 onwards, TCF targets shall be negotiated, taking into account the voluntary nature of the contributions to the TCF, based on the changes in the level of the Regular Budget and the price adjustment factor in the corresponding years." (See GOV/2003/48, para 8.)

¶3. Although Mission should not signal any willingness to agree to a more rigid linkage between the regular budget and the TCF, Washington will consider other proposals to mitigate G-77 concerns regarding TCF in an effort to reach agreement with the G-77. On a one-time basis, recognizing the unique circumstance of the current three-year TCF cycle, Washington can consider adjusting upward the 2012 indicative planning figure for the TCF. Washington is also prepared to accept a splitting of TCF target shares into dollar and Euro components, to mitigate the effects of currency fluctuations on the purchasing power of the TCF. UNVIE should refer back to Washington for further guidance if any such proposals arise.

¶4. Mission can also explain that internal borrowing from TCF for infrastructure investment is not our preferred approach to meet the IAEA's resource needs and we do not fully support such an outcome. Rather, the U.S. continues to support an increased budget that addresses U.S. priorities in safeguards, nuclear security and safety, and related infrastructure needs, including Enterprise Resource Planning system infrastructure.

¶5. Department points of contact are IO/MPR Lisa Spratt (202-647-6395) and IO/T Jim DeTemple (202-736-7930).
CLINTON